

DMUNC XVIII**ECOFIN~ Topic A: Human Capital Development****Iraq**

Although the past cannot be changed, we can learn many valuable lessons about what developing countries need, due to a lack of human capital. Human Capital has numerous effects upon economics, education, healthcare, and above all achieving the UN SDGs. Early childhood development has impacts on the economical factor of human capital due to the fact that the earlier individuals invest, the higher amount of economic returns results. This implies that a good education is significant in having higher human capital rates. In most developing countries, the number of children graduates from secondary school is sparse and many barely complete primary school. This is a large issue toward human capital development as education raises productivity and creativity, as well as securing economic and social progress. However, for some individuals, it is difficult to get to school or even pay as poverty is a large issue. As education is poor and many children need tutors, there is a higher likelihood of students dropping out. This leads to unemployment in later years, again harming the economy and lessening the human capital development. In addition, by increasing healthcare, people would get sick less often and have more work hours, which would increase GDP per capita. Economics, education, and healthcare are all leading factors of human capital development, which is the goal of achieving the UN SDGs.

It is critical that economic factors, education, and healthcare are aided in efforts of raising human capital. Proximity Design improved the economy for poor farmers in Myanmar and CAMFED connected girls from rural communities in Sub-Saharan Africa. These NGOs proved to show that it is possible to fight against poverty and education issues. Resolution number [A/RES/72/235](#) was passed on 20 December 2017. This conference aimed to eradicate poverty and help education and social issues. This resolution called for the international community to place human resources development at the core of economic and social development. In addition, the resolution called for long and short-term solutions as with both, human resources capacities would effectively be enhanced. The resolution plan for all solutions to be fulfilled by 2030. This includes factors of education, healthcare, and the economical factors of human capital. It adopted a comprehensive set of universal and transformative SDGs and targets. The resolution acknowledged that health and education are the basic elements of human resources development. In addition, the World Bank's Human Capital Project aims to increase better investments in people for greater equity and economic growth. The World Bank states that by improving their human capital, people can be more productive and innovative. The project was created in an effort to raise awareness and give children more educational opportunities.

Iraq has faced decades of conflict, impacting Iraq's human and economic development. The defeat of ISIS in end-2017 resulted in the challenge of rebuilding infrastructure and supplying services and job opportunities to the population. This is covered on the need to address the legacy of past conflict and neglect, including in the south, which was the poorest region of

Iraq pre-ISIS. Growth and the overall positive fiscal balance are estimated to further reduce the public debt-to-GDP ratio from 67.3% in 2016 to about 55%. In addition, the poverty rate has increased from 18.9% in 2012 to an estimated 22.5% in 2014. The unemployment rate, which was falling before the crises, has climbed back to the 2012 level. Almost a quarter of the working-age population is underutilized, implying that they are either unemployed or underemployed. IDPs have been afflicted by multiple disadvantageous shocks: they have lost much of their wealth through destruction of assets; they have seen family members die, get sick, or become injured at a higher rate; and they have been further exhausted. Fewer IDP adults have a job, so each employed adult in an IDP household supports more than six other household members. The outlook for Iraq is favorable as shown through the overall GDP growth projecting to accelerate to 6.2% in 2019 sustained by higher oil production. For the following years, oil production is expected to increase marginally, reducing overall growth to an average of 2.5% until 2023. This is due to the limited capacity to mobilize investment in the oil sector. Reconstruction will remain an upside rise for growth given the continued uncertainty about how it will evolve. Iraq is an early adopter of the World Bank's Human Capital Project (HCP) and has nominated focal points within the government to partner with the World Bank Group. Iraq supports solutions regarding education, healthcare, and poverty reduction. An educational solution can be setting a regulation that insists upon a high-quality public education. To implement a public education of such stature, the committee can call upon NGOs to establish schools in highly populated communities of poverty and low education rates. To ensure that the schools are of high quality, the schools can be visited regularly by teams of assessors sent from volunteer groups of a specific level of academic achievement. Iraq's population has suffered greatly due to decades of war and economic sanctions. The implementation of the Basic Health Services Package (BHSP) will ensure the timely delivery of cost-effective, integrated, and standardized health services tailored to meet the priority health issues faced by the majority of the population. With the help of WHO and NGOs, the committee can hopefully tackle the situation at hand. In addition, to gain clean water for civilians in developing countries, the use of aquifers can be helpful as they are found in many places in the world. In efforts to eradicate poverty, minimum wage prices should be raised, earned income tax credit for childless workers should be increased, and the resolution should support pay equity.

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ECOFIN~ Topic B: Debt Sustainability in Sub-Saharan Africa

Iraq

From the detrimental effects of the 2008 global financial crisis, borrowing and lending became a widely popular practice all across the globe, but more significantly in sub-Saharan Africa. This has led to a repetitive cycle of debt, increased borrowing, more debt, and bailouts. With continued economic growth and many emerging countries in the past, loans and debt repayment has easily reached unsustainable levels. However, with the World Bank, International Monetary Fund (IMF), and African Development Bank, a number of economies in the region have mitigated many of their debt crises due to bailouts and overall economic growth in the last decade. According to the IMF, the median debt-to-GDP ratio is beginning to increase again. Primarily focusing on sub-Saharan Africa, countries in the region will follow the UNDP defined countries for research and debate. Using the three main internationally used methods (HIPC, the Low-Income Countries Debt Sustainability Framework, & Middle-Income Countries Debt Sustainability Framework), data comparing debt ratios and economic activity ratios are used to determine a country's capacity to repay their debt. The main differentiation between these three methods is the country's income level, which is stated through each name.

Capital Flows and Labor and Domestic Revenue Mobilization display a growing perspective of increasing self-sufficiency and creating long-term sustainable development in highly indebted countries. The IMF outstanding programs in Sub-Saharan Africa have significantly increased from USD 1.8 billion to USD 7.2 billion. For many countries undergoing debt crises, the IMF has often served as a bailout method. The debate regarding these bailouts includes concerns that they disrupt free-market economics, serve as moral hazards, and are incredibly expensive for countries that contribute the most to the IMF. Ghana provided a lesson to be learned for other countries in the region. This included a history of mismanagement in its debt relief programs. It was the first African beneficiary of international bond markets for the purpose of debt relief. Ghana was forced to once again seek a rescue package from the IMF seven years later. One of the most impacting factors that lead to this result is the lack of investment in infrastructure and reforms for sustainable GDP growth in the country. Instead of generating the necessary extra revenue to pay back the country's debt, rapid oil exports were largely mismanaged in the public sector. With the loans, government salaries increased to account for about 70% of the country's budget. However, the subsequent IMF loan in 2014 was attached with debt management reform conditions for Ghana to fulfill. They lowered the private sector salaries, raised tax revenues, and eliminating inefficient energy subsidies - which were mainly supplementing the rapid oil exports. In addition, China has become a crucial financial source of loans for many countries worldwide, as shown through political leverage and advanced strategic assets. This goes hand-in-hand with China's massive influence, such as China's One Belt One Road Initiative. Chinese political power is increasing in sub-Saharan Africa. As Sri Lanka surrendered a port to a Chinese state-owned enterprise, Djibouti may also be on the verge

of losing a port. In a recent report measuring the progress of the UN's SDGs, the US cited China as an example of international support for low and middle-income countries seeking development aid assistance.

Alike other developing countries, Iraq has debt, however, Iraq has debt relief as it is a part of the new Paris Club. At the end of 2018, the US announced a cancellation upon a sizeable part of Iraqi debt toward the US. Iraq owes \$40 billion toward the Paris Club which is composed of mainly Western creditor nations. The sum represents about a third of Iraq's external debt. Other developing countries pressed for similar treatment include countries in sub-Saharan Africa, such as the Democratic Republic of the Congo, Rwanda, and Sudan. As Iraq accrued its debt under a brutal dictatorship, the US assisted the delegation of Iraq. Debt relief is essential for Iraq's economic development due to the fact that China, France, Germany, and Russia were vocal opponents of the U.S.-led invasion of Iraq. Resolution 1483 prohibits any country from initiating debt claims against the proceeds of Iraq's petroleum or gas industries. This requires countries to freeze any funds and immediately transfer them to the Development Fund for Iraq unless they are themselves the subject of legal dispute. U.S. secretary of state Baker assembled a coalition of more than 40 nations for an UN-approved mission to drive Iraqi invaders out of Kuwait. Baker claimed that debt reduction is critical for Iraq to have a chance to build a free and prosperous nation. With this in mind debt relief is an important factor in what aided Iraq after the wars. Iraq suggests that sub-Saharan Africa can protect itself from heavy debt burden without stunting its rapid economic growth through debt and management reform. In addition, solutions that aid in efficient energy for infrastructure have Iraq's support. Debt management reform will result in proper management in creating efficient energy, which can be gained with the use of green power and utilized with the help of NGOs.

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